



DQ Entertainment (International) Limited

Code of conduct for prevention of insider trading in securities of the company

1 Applicability:

- 1.1 This code is applicable to the “Directors”, “Designated Employees” and “Dependents of the Directors and Designated Employees”.
- 1.2 This code is not applicable in respect of transactions of purchase or sale upto 5,000 Equity Shares of the Company in a month.

2 Definitions

- 2.1 “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992) and may be referred to herein as the Act;
- 2.2 “**Board**” means Securities and Exchange Board of India established under Section 3 of Securities and Exchange Board of India Act, 1992.
- 2.3 “**Company**” means DQ Entertainment (International) Limited and may be referred to as ‘the Company’ or ‘DQE’ in this Code of Conduct.
- 2.4 “**Code**” means this Code of Conduct
- 2.5 “**Compliance Officer**” – means the Company Secretary or such other person who may be appointed by the Board of Directors as the Compliance Officer from time to time.
- 2.6 “**Connected Person**” means any person who:-
 - a) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 of the Company or is deemed to be director of the Company by virtue of sub-clause (10) of section 307 of that Act; or
 - b) occupies the position as an officer or an employee of the Company or holds a position involving a professional or business relationship between himself and the Company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company;

Explanation: For the purpose of clause 1.5, the words “**connected person**” shall mean any person who is a connected person six months prior to an act of insider trading.



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- 2.7 “**Director**” - includes
- a) Independent Directors / Non-Executive Directors;
 - b) Whole-time Director by whatever name called;
 - c) Chairman and Chief Executive Director or Managing Director and / or Executive Director / Chief Executive Director
- 2.8 “**Dealing in Securities**” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;
- 2.9 “**Designated Employee**” shall include officers comprising the top three tiers of the company management – the employees designated by the Company to whom these trading restrictions shall be applicable:
- (i) Board of Directors
 - (ii) Executive Director (whether or not they are member of the Board)
 - (iii) Employees of the rank of Assistant Vice President and above
 - (iv) Employees of finance / accounts and share department of the rank of Assistant General Manager and above.
 - (v) Such other employee as may be determined and informed by the Compliance Officer from time to time
- 2.10 “**Dependent**” means spouse, dependent parents and dependent children of the designated employee.
- 2.11 “**Insider**” means any person who:
- i) is or was connected with the company or is deemed to have been connected with the company, and who is reasonably expected to have access, to unpublished price sensitive information in respect of securities of a company, or
 - ii) has received or has had access to such unpublished price sensitive information.
- 2.12 A “**Person is deemed to be a connected person**” if such person
- a) is a company under the same management or group, or any subsidiary company thereof within the meaning of sub-section (1B) of section 370, or sub-section(11) of section 372, of the Companies Act, 1956, or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969, as the case may be ; or



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- b) is an intermediary as specified in section 12 of the Act, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation.
 - c) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the Board of Trustee of a mutual fund or a member of the Board of Directors of the Asset Management Company of a mutual fund or is an employee thereof who has a fiduciary relationship with the company.
 - d) is a member of the Board of Directors or an employee of a public financial institution as defined in Section 4A of the Companies Act, 1956; or
 - e) is an official or an employee of a Self-regulatory Organization recognized or authorized by the Board of a regulatory body;
 - f) is a relative of any of the aforementioned persons;
 - g) is a banker of the company;
 - h) relatives of the connected person; or
 - i) a concern, firm, trust, Hindu Undivided Family, company, Association of Persons wherein any of the connected persons mentioned in sub-clause (a) of clause 1.5 or any mentioned in sub-clauses (f)(g)(h) of this clause have more than 10% of the holding or interest.
- 2.13 **“Price Sensitive Information”** means any information which relates directly or indirectly to a company and which, if published, is likely to materially affect the price of securities of company;
Explanation:- The following shall be deemed to be price sensitive information:-
- i. Periodical financial results of the company
 - ii. Intended declaration of dividends (both interim and final);
 - Hi. Issue of securities or buy-back of securities
 - iv. Any major expansion plans or execution of new projects;
 - v. Amalgamation, mergers or takeovers;
 - vi. Disposal of the whole or substantial part of the undertaking; and
 - vii. Any significant changes in policies, plans or operations of the company



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2.14 “**Published Information**” - means any information officially published by the Company or it’s authorised officers and including those information sent to the Stock Exchanges.

2.15 “**Unpublished Information**” means information which is not published by the company or its agents and is not specific in nature.

Explanation:-

Speculative reports in print or electronic media shall not be considered as published information.

2.16 “**Regulations**” means SEBI (Prohibition of Insider Trading Regulations, 1992.

2.17 “**Securities**” include shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature as may be issued by the company from time to time and which are listed on any Stock Exchanges.

2.18 **Trading Window** - means a period to be specified by the Company in which trading of securities can be done by the Designated Employee.

2.19 “**Working day**” means the working day when the regular trading is permitted on the stock exchange where securities of the company are listed.

3 Compliance Officer

3.1 Ms. Anita Sunil Shankar, Company Secretary, is appointed as Compliance Officer and she shall report to the Chairman, Managing Director & Chief Executive Officer.

3.2 The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearing of designated employees and their dependents’ trades or through respective department heads, monitoring of trades and the implementation of the codes of conduct under the overall supervision of the Board of the company.

3.3 The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

3.4 The compliance officer shall assist all the employees in addressing any clarification regarding the Regulations and the company’s code of conduct.



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4 Preservation of “Price Sensitive Information”

Designated employees/directors shall maintain the confidentiality of all Price Sensitive Information and not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

5 Need to know

Price sensitive information is to be handled on a “need to know” basis, i.e. Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

6 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

7 Prevention of misuse of “Price Sensitive Information”

All directors / officers and designated employees of the company shall be subject to trading restrictions as enumerated in the Code.

8 Trading Window

- 8.1 The designated employees may deal in the shares and securities on any working day during the trading hours as prescribed by the stock exchanges and this shall be called the ‘Trading Window’ except during the period when the trading window is closed. The trading window shall be closed during the period as referred to in para 8.3.
- 8.2 When the trading window is closed, the designated employees, shall not trade in the company's securities in such period.
- 8.3 Trading Window shall be closed during the following periods:
 - a) From 15th January / 15th April / 15th July / 15th October of the financial year till twenty-four hours after the announcement of the financial results for the respective quarter ending on the day immediately proceeding these days, to the Stock Exchanges.



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Notwithstanding anything contained in this sub-clause, in the case of last quarter of any financial year, if the Company opts for publication of Audited Results directly for the relevant financial year, then the Trading Window shall be closed from such date as may be intimated by the Compliance Officer.

- b) From the date of circulation of the agenda for the meeting of the Board of Directors, in which any material price sensitive and unpublished event, including the following, are proposed:
- i) Issue of securities;
 - ii) Buyback and splitting of securities;
 - iii) Dividends;
 - iv) Significant expansion plans or new projects;
 - v) Acquisition, amalgamation, merger, takeover of companies / businesses;
 - vi) Disposal of whole or substantially the whole of the undertaking;
 - vii) Significant changes in plans or operations of the Company;
 - viii) Any other event that may be decided by the company from time to time.
- 8.4 The trading window shall be opened 24 hours after the information referred to in para 8.3 is made public.
- 8.5 All directors / officers / designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred to in para 8.3 or during any other period as may be specified by the company from time to time.
- 8.6 In case of ESOPs, exercise of option may be allowed in the period when trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.
- 8.7 In case of doubts on whether any information is unpublished and price sensitive, Designated Employees may seek clarification from Compliance Officer.
- 8.8 The closure of the Trading Window for these events will be advised / informed to all concerned by the Compliance Officer for the purpose of this Code.



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9 Pre clearance of trades

- 9.1 Designated employees of the company and their dependents who intend to deal in the securities of the company above the threshold limit of 5,000 equity shares in a month (either in one transaction or in a series of transactions) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
- 9.2 Purchase and sale of securities by the Compliance Officer shall require prior clearance from the Managing Director.
- 9.3 An application may be made in the **Form (Annexure – 1)** prescribed by the Company, to the Compliance Officer furnishing the information required therein and undertaking shall be executed in favour of the Company in the enclosed pro-forma (**Annexure – A**), incorporating, inter alia, the following clauses, as may be applicable, -
- a) That the designated employee/director/officer does not have any access or has not received “Price Sensitive Information” upto the time of signing of the undertaking.
 - b) That in case the designated employee/ director/officer has access to or receives “Price Sensitive Information” after the signing of this undertaking but before the execution of the transaction he / she shall inform the Compliance Officer of the change in his position and that he / she would completely refrain from dealing in the securities of the company till the time such information becomes public.
 - c) That he / she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
 - d) That he / she has made a true and full disclosure in the matter.

10 Other restrictions

- 10.1 All director/officer/designated employees and their dependents shall execute their order in respect of the securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the designated employee must pre-clear the transaction again.



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- 10.2 All director/officer/designated employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.
- 10.3 In the case of subscription in the primary market, the designated employees shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- 10.4 Designated employees shall not take any position in derivative transactions in the shares of the company at any time.
- 10.5 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his /her reasons in this regard.

11 Disclosure

Designated Employee shall make the following disclosures of shares and other securities held in the Company by them and their dependant family members, to the Compliance Officer:

- a) Initial disclosure of number of securities as on (date) in attached format. **[Form - A]**
- b) Changes in securities holding, when such change exceeds the lower of:
 - Rs. 5,00,000/- in market value, or
 - 25,000 securities, or
 - 1% of the total Share Capital.

This disclosure shall be made within 4 working days of such change. **[Form B]**

- c) Annual disclosure of number of securities held as on last date of the financial year, including details of each transaction of purchase / sale of shares and other securities during the financial year in attached format. This disclosure shall be made within 30 days from the close of each financial year. **[Form C]**
- d) Disclosure shall also be made of the number of securities held, upon becoming a Designated Employee, at any point of time. This disclosure shall be made within 4 working days of becoming a Designated Employee. **[Form A]**.



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12 Reporting requirements for transactions in securities

- 12.1 Designated employees of the company shall be required to forward half yearly¹ statements (as on 31st March and 30th September) of their securities/transactions (buy/ sell) including the statements of their dependents to the Compliance Officer within 14 days of the end of the period.
- 12.2 Designated employees of the company shall be required to forward Annual statement (as on 31st March) of their shareholding in the Company as well as of their dependents to the Compliance Officer within 14 days of the end of financial year.

13 Maintenance of records

- 13.1 The Compliance Officer shall maintain records of all the declarations given by the director/officer/designated employees in the prescribed form for a minimum period of three years.
- 13.2 The Compliance Officer shall place before the Managing Director / Chief Executive Officer of the company or a committee specified by the Company on a monthly basis, all the details of the dealing in the securities by designated employees of the company and the accompanying documents that such persons/had executed under the pre-dealing procedure as envisaged in the code.

14 Penalty for contravention of code of conduct

- 14.1 Any director/officer/designated employee who trades in securities or communicates any information for trading in securities, in contravention of the Code of Conduct may be penalized and appropriate action may be taken by the company.
- 14.2 Designated employees of the company who violate the Code of Conduct shall also be subject to the disciplinary action by the company, which may include wage freeze; suspension, ineligibility for future participation in employee stock option plans, etc.
- 14.3 The action by the company shall not preclude the Board from taking any action incase of violation of the Regulations.

15 Information to the Board incase of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

In case it is observed by the company/ compliance officer that there has been a violation of the Regulations, the Board shall be informed by the company.

¹ All holdings in securities at the time of joining the Company.



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Annexure – 1
[Rule 9.3 of the Code]

Proforma of Application and Undertaking to be Executed by Designated Employee for Pre-Clearance of Trade:

To
The Compliance Officer
DQ Entertainment (International) Limited
644 Aurora Colony
Road No.3
Banjara Hills
Hyderabad-500 034

Reg: Application and undertaking for pre-clearance of Trade.

I, _____ (Name), _____ (Designation), am presently holding shares in DQ Entertainment (International) Limited as per the following details:

Sr. No	Physical Form	Demat Form		No. of Shares held at present
	Folio	DP ID	Client ID	

Further, I am desirous of selling / buying ----- shares of DQ Entertainment (International) Limited;

(1) through ----- DP ID where my Client ID is ----- (in case of trading transaction through stock exchanges)

OR

(2) directly to / from ----- (in case of off market transaction in physical or demat format)

I hereby seek pre-clearance for the aforesaid trade / transaction in the Company's Shares.



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I confirm that:

- I will execute the order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, I agree to seek pre-clearance for the transaction again.
- I will hold the investments in securities being purchased by me for a minimum period of 30 days in order to be considered as being held for investment purposes.

OR

I have held the securities being sold by me for a period of more than 30 days

OR

I have held the securities being sold by me for a period of less than 30 days and as the sale of securities is necessitated by the following personal emergency, the minimum holding period may kindly be waived: *(please clearly state the reasons for requesting waiver of minimum holding period)*

I hereby undertake and confirm that,

I do not have any access or have not received "Price Sensitive Information" up to the time of signing this undertaking

- In case I have access to or have received "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction I will inform the Compliance officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- I have not contravened the prevailing Code of Conduct for Prevention of Insider Trading.
- I have made a full and true disclosure in this matter.

Signature -----
Name -----
Designation -----
Date -----



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Form A

[Clause 11 of the Code]

(Applicable Designated Employee of the Company, to be submitted on & within 4 days of such appointment in duplicate & acknowledgement obtained)

The Compliance Officer
 . DQ Entertainment (International) Limited
 644 Aurora Colony
 Road No.3
 Banjara Hills
 Hyderabad-500 034

Reg.: - Initial Disclosure of shareholding in terms of the Code of Internal Procedures and Conduct for Prevention of Insider Trading

Date of disclosure	
Name and address of the person disclosing	
Category of the person disclosing	Director / Officer <i>(strike out portion not applicable)</i>
Number of shares held	
Date of becoming director / officer	

Details of shares held by dependent Family Member/s* of the person

Name /s of the dependent Family Member/s of the person disclosing*	Relationship of the dependent with the person disclosing	Number of shares held
1.		
2.		

* Dependent Family Members shall include dependent parent, dependent children under the age of 21 years, dependent spouse and any other person/s dependent on the person making declaration. If required additional sheet may be attached.

Signature _____



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Form B

(Clause 11 of the Code)

(Applicable to Designated Employee and to be submitted as on 31st March of Every Year

To
 The Compliance Officer
 DQ Entertainment (International) Limited
 644 Aurora Colony
 Road No.3
 Banjara Hills
 Hyderabad-500 034

Reg: - Continual Disclosure in terms of the Code of Internal Procedures and Conduct for Prevention of Insider Trading

Date of disclosure	Name (discloser)	Designation		
Details of last disclosure:		Date	Number	%
shares held before change in shareholding				
@ shares held by dependents* before change in shareholding				
Name of dependent	Relationship with dependent			
1				
2				

Change in		Number	%	Amount	Sale / Purchase	Date
Number & % of shareholding (if applicable)						
Number & % of shareholding of dependents* (if applicable)						
Name of dependent	Relationship with dependent					
1						
2						



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Shares held after change in shareholding	Date	Number	%
@ Shares held by dependents* after change in shareholding			
Name of dependent	Relationship with dependent		
1			
2			

@ give list of transactions where applicable including names and relationship. Attach separate sheet if required.

* Dependent Family Members shall include dependent parent, dependent children under the age of 21 years, dependent spouse and any other person/s dependent on the person making declaration

Signature _____



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

Form C

(Clause 11 of the code)

(Applicable to designated employee of the Company, for transactions done in the Company's securities during the year)

To
 The Compliance Officer
 DQ Entertainment (International) Limited
 644 Aurora Colony
 Road No.3
 Banjara Hills
 Hyderabad-500 034

Reg: - Annual Disclosure of transactions in securities in terms of the Code of Internal Procedures and Conduct for Prevention of Insider Trading

Date of disclosure:	Name of the person disclosing:
Designation of Discloser	Director / Officer <i>(strike out portion not applicable)</i>

Details of as on last annual disclosure	Date	Number	%
Shares held as on <i>(first day of financial year / initial disclosure whichever is applicable)</i>			
@ Shares held by dependents* on <i>(first day of financial year / initial disclosure whichever is applicable)</i>			
Name of dependent	Relationship with dependent		
1			
2			



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Change in	Number	%	Amount	Sale / Purchase	Date
Number & % of shareholding <i>(if applicable)</i>					
Number & % of shareholding of dependents* <i>(if applicable)</i>					
Name of dependent	Relationship with dependent				
1					
2					

shares held as on the last date of financial year	Date	Number	%
@ shares held by dependents* as on the last date of financial year			
Name of dependent	Relationship with dependent		
1			
2			

@ Give list of each transaction where applicable including names and relationship. Attach separate sheet if required.

* Dependent Family Members shall include dependent parent, dependent children under the age of 21 years, dependent spouse and any other person/s dependent on the person making declaration

Signature _____